

Oregon

Family Health Insurance Assistance Program (FHIAP)

Overview

Oregon's Family Health Insurance Assistance Program (FHIAP) provides premium subsidies for low-income uninsured residents to help them purchase coverage through their employer or through the individual market. The program is a component of the Oregon Health Plan, which was designed to ensure health insurance for all residents and includes Medicaid expansion, small group insurance reform, the Oregon Medical Insurance Pool (OMIP), a small employer insurance pool, and other programs.¹ FHIAP is intended to increase availability and affordability of private insurance, and is administered through the Insurance Pool Governing Board.

Location

Statewide in Oregon.

Target

Uninsured working low-income individuals and their families.

Beneficiaries Number of Participants

As of June 19, 2000, there were 4,131 people approved and enrolled, 518 approved to be enrolled, 47 applications under review, 5,236 applications sent out, and 23,369 people on the waiting list for applications (due to capped enrollment). There are 768 members enrolled in group health insurance plans through their employer.

Time Frame

FHIAP was passed in the 1997 legislature and enrollment began in July 1998.

Eligibility

To be eligible for the subsidy, a person must:

- Be an Oregon resident.
- Have gross family income under 170% of FPL.
- Have total investments and savings less than \$10,000 (including cash, checking and savings accounts, stocks, and bonds; IRA, home, and car are not considered investments or savings).
- Have not had insurance other than Medicaid in the past six months.
- Not be eligible for or receiving Medicare.

Eligibility does not, however, guarantee participation. As noted above, the capped enrollment has resulted in a waiting list for applications numbering approximately 24,000. A person wishing to apply must request a space on the reservation list and wait for an opening in the program.

Amount of Subsidy

The amount of the subsidy is determined by income, the number of family members to be insured, and family size. The subsidy is scaled: 95% of the premium is subsidized if income is under 125% of FPL, 90% is subsidized if income is from 125% to 150% of FPL, and 70% is subsidized if income is from 150% to 170% of

¹ OMIP is a high-risk pool funded through member premiums and an assessment on insurance companies. The small employer insurance pool is being phased out due to declining participation attributed to insurance reform and more firms using the regular private market. The state has been helping participating companies find and enroll in new plans in year 2000.

FPL. If the enrollee obtains coverage through his/her employer, the subsidy applies to the employee's share of the premium.

Coverage

Once approved for a subsidy, participants must obtain health insurance either:

- Through their employers, if it is offered and the employer makes a contribution toward the coverage; or
- Through one of the insurance carriers participating in FHIAP (if the employer does not offer coverage or make a contribution toward coverage).

In order for adults to receive a subsidy, they must obtain coverage for all children in the family under a health insurance plan or the Oregon Health Plan. If one's employer does not offer dependent coverage, the subsidy may be used to purchase such coverage through a participating FHIAP carrier.

Process

Participants in the group health insurance market (i.e., employment-based insurance plan) are eligible to receive prospective payments in order to avoid cash flow problems caused by the withholding of premiums from wages. Employers are blind to which, if any, employees receive a FHIAP subsidy and are not involved in the process, unless the employee asks the employer for help in filling out the Employer Verification form. This form provides FHIAP with information on the employer's health insurance, which is needed to determine the employee's share of the premium.

Participants in the individual market pay their share of the premium directly to FHIAP. FHIAP then forwards the participant's share and the subsidy payment to the insurance carrier. Participants are responsible for copayments or deductibles that are required when health care services are received.

Outreach and Marketing

There is no active outreach and marketing due to the long waiting list for subsidies, although the program anticipates increasing marketing efforts in the fall of 2000. The state certifies agents to assist with enrollment when applications are received.

Financing

The FHIAP subsidy is financed by a state tobacco tax. Limited funding caps enrollment at 5,250 people. The state has applied for S-CHIP funding for an employer-sponsored insurance coverage demonstration project to supplement state sources, which could increase the number of people who could be served by the program.

Contact for More Information

Kelly Harms, FHIAP Marketing and Communications, 625 Marion Street, NE, Suite 2, Salem, Oregon 97301-3749, (503) 373-1692 ext. 232, e-mail: kelly.harms@state.or.us.

Sources: Sparer, Michael S. "Health Policy for Low-Income People in Oregon," Assessing the New Federalism, Occasional Paper #31, Urban Institute, Washington, D.C., Sept. 1999; Personal communications with Kelly Harms, FHIAP Marketing and Communications, State of Oregon, June 2000; Oregon website: www.ipgb.state.or.us/docs.

Source: The Commonwealth Fund,
(http://www.cmwf.org/programs/insurance/silow-carroll_initiatives_424.pdf)